From: Matt Heinzen

To: Microsoft ATR

Date: 1/23/02 11:34am

Subject: Microsoft Settlement

I believe that the proposed antitrust settlement with Microsoft is not in the best intersests of consumers or the software industry.

## Reasons why the settlement is bad for consumers

- 1. Microsoft has been shown to break compatibility of 3rd party products running on MS operating systems (DR-DOS and Lotus 1-2-3). This discourages consumers from buying third party software when MS products are available because the 3rd software will not run as effectively as the MS software even if whether the MS is of lower or equal quality.
- 2. "Monoculture" software means that vulnerabilities are widely deployed. Internet worms such as "Code Red", "Sircam", "Melissa", and "I Love You" were specifically designed to target flaws in MS applications many people were unaware were even running on their computers (the IIS server program automatically enables on some versions of Windows) or in programs that are capable of running untrusted code without the users consent or knowledge (Visual Basic scripting enabled by default in MS Outlook). The exploits for these inherint vulnerabilities were so widespread largely because of the MS monopoly.
- 3. Forced upgrades. MS has not introduced features that are really critical to most consumers in its latest home versions of Windows, yet consumers are forced to upgrade Windows to be able to get technical support. This also usually means upgrading their computer hardware because each version of Windows requires more powerful resources than previous versions. Alternative free operating systems such as Linux and BSD support modern software but also can be run "stripped down" on systems five or even ten years old, meaning that it is possible to produce systems that do not require constant hardware upgrades. This model is just not in the best interests of MS, because it would not generate as much revenue.

Reasons why the settlement is bad for the software industry

1. MS has been found to, and will likely continue to, leverage their monopoly against computer manufacturers. Most people buy their computer and install very little software on it after the fact. Very few people install new operating systems. MS has used these facts to work exclusive licensing deals with computer manufacturers that virtually guarantees that any non-Macintosh PC purchased from any big name vendor will come with a version of MS Windows installed, regardless of what the consumer

wants. Although installing a different operating system is a viable alternative, this would mean that the consumer has already payed money for a product they will never use. Manufacturers would like to provide alternatives, but MS could stop licensing Windows to these manufacturers. Although this would clearly be illegal given MS is a monopoly, the PC manufacturer would go bankrupt by the time the matter could be resolved legally.

2. Lack of competition causes stagnation. MS has very little reason to improve their products with no viable competitiors available for typical consumers. Most of the changes in recent additions of Windows have been visual improvements and application improvements not specifically requiring a new operating system, such as improved multimedia applications. There is little incentive for competitors to create new operating system alternative as long as MS is allowed to continue their monopolistic business practices, meaning that true technological innovation is being stifled.

For these reasons I believe that stronger actions are needed against MS. Alternative operating systems and application software must be allowed to compete on an even level with MS products, and PC manufacturers must be allowed to sell alternative that customers really want.

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